and 1918 and which may confront the Government now in the event of a world conflagration, will be tackled effectively. The question has already engaged the attention of Government and measures have been devised to make adequate safeguards for the provision of ample food-supply should the calamity of a war befall the world in the near future.

THE PRESIDENTS CONCLUDING REMARK'S ON THE GENERAL DISCUSSION OF THE BUDGET.

PRESIDENT: Fellow-Members of the Legislature, I feel it is necessary to offer a few remarks at the conclusion of what I conceive to have been an extraordinarily well-informed and constructive discussion of the Budget and the financial statement placed before the House by the Financial Secretary. Certain points have, however, been raised which need elucidation; and I propose, to do so especially as some of those points involve matters of high policy. One of the points which was raised incidentally was the question of Federation and the entry into Federation. It was my duty to rule out discussion which would directly deal with that subject, because at the present moment the discussions that are taking place, the correspondence that has taken place and will take place, are confidential. Whatever may be the practice anywhere else, it has been the object and the resolve of this Government to treat confidential correspondence as confidential. But, as questions have arisen which may bear upon the finances of this State, it is my duty, as representing His Highness' Government, to assure honourable members of this House that nobody is more concerned or can be more concerned than the Government or the inhabitants of Travancore with the possibilities of any diminution of resources. As has been well pointed out in the course of the debate, we have certain minima requirements, requirements which perhaps differ in quality and kind, from the requirements of other places. We have through a long series of years embarked upon an educational policy from which there is no turning back. We have launched upon the provision of certain amenities to the people of the country, the lessening or diminution of which will produce a legitimate discontent. There are requirements of progressive administration which have to be arranged for, unless Government are to give up their responsibilities for the well-being of the people. That means that in all probability, as has been well put up by an honourable member our minimum requirements would be about Rs. 2½ crores. If for any reason this State is not able to raise that Rs. 2½ crores, it would have to lessen its standards. Just as I have pleaded for a programme for increasing the standards of living amongst the people, so it is incumbent on Governments constantly endeavour to raise their standards, not by increasing what may be called wasteful or needless expenditure, but by maintaining and augmenting those resources to be devoted to the amelioration of the condition of the people of the State. Honourable members may rest assured that in any discussion that take place, the fundamental financial factors will be borne in mind.

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Something was said as to export duties. Export duties may be attacked or may be defended and certainly at the present juncture they have their drawbacks. But it must be remembered that this State is one of the few States in India which alone have the right to levy export duties. In the incidence of these export duties, in the amount to be levied in regard to these export duties, our discretion is not fettered in any manner, excepting to the extent which a discerning Government will seek not to lay heavier burdens on persons than they can bear or should be made to bear. Based on such principles and also on the basis of the export duty, we have programmed our expenditure. If it is sought to be interferred with, a revision of the whole customs organisation would become necessary and that is why I ruled that it was not wholly irrelevant to talk of the Interportal Trade Convention. Let us realise exactly what the Interportal Trade Convention meant. At a particular stage in the history of this country, and of most maritime States, the British Government wanted as a matter of all-India policy of Free Trade that these States which till then had a plenary and unfettered right to levy any kind of import duty to any extent, should level up and level down their duties to the British Indian level. Practically all the States acceded to this arrangement. In other words, we are under a duty and an obligation to make the import duty uniform in this country with the duty leviable in British India. It is not therefore open to us to levy a discriminatory duty or grant a subsidy directly or indirectly as the United States are now doing in regard to cotton. The range of import duty, the jurisdiction in respect of import duty, is strictly limited. Now, in compensation for the loss of our rights to levy import duties according to our discretion and the needs of the country, a sum of Rs. 40,000 is paid to us per year. That Rs. 40,000 was settled at a time when the trade of Travancore was about a tenth or an eighth of the present trade. In other words, we get a compensation *X* for a trade which we lost *Y*; and when *Y* has become 10 *Y* we still get the compensation *X*. That is one of the matters which are under discussion and I do not wish to say more than this. It is the complicacy of the situation, the interaction of one policy upon another, that has to be borne in mind when we deal with the question of export duty, the abolition of which is no doubt entirely within the purview, the jurisdiction and the cognisance of this Government. But to do that, to abolish the export duty, without getting certain compensatory advantages in respect of import duties would be a matter which will require the most careful consideration and a consideration of the financial adjustments, possible and practicable. That is why this Government have throughout the last two or three years tried to discourage discussion on this question of export duty. Some persons have said it was funking the matter. It is not. It is a question merely of keeping confidential, discussions which of necessity have to be kept confidential until the policy and the line of action pursued by this Government can be published for the elucidation of the public of this country.

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Now, dealing with our financial balances, what are our material assets and what are our liabilities. Mineral sands were mentioned. An honourable member asked "Why should we not make it a Government monopoly?" Assuming to day their exploitation is a Government monopoly, who is going to buy our mineral sands? They fetch a value only after the most scientific and most laborious processes involving the highest chemical equipments, resources, laboratory, refining and transforming apparatus, costing perhaps crores in the way of capital expenditure. After all this process is perfected the resultant substance is sold in America. What is this Government to do? To start factories on that scale, in order to deal with mineral sands, you need, not lakhs but perhaps crores. It means scientific processes involving firstly, a process of cleaning. The sand has to be put into a huge reservoir of acid. It is allowed to stay there for the preliminary process of cleaning which itself is very expensive. Then the quantity becomes, let us say, one-third of the original quantity. In respect of the residue, chemical processes are applied. Laboratory experiments continually take place. If they are successful, and practical applications become feasible, certain commercial results are achieved; but they require for marketing the most elaborate propaganda and demonstration and sale arrangements and also the formation of syndicates for the elimination of wasteful competition and the establishment of a standard product. It is one of the technical chemical industries of the world and to compete with America where perhaps a single millionare has got an income as large as the income of this State is not an easy task. Therefore it is that to talk glibly or easily of taking up of the monopoly of mineral sands is not to deal in a practical way with this question. But there are other possibilities. One possibility is that instead of sending these sands in bulk, at least some of the intermediary processes might be done in this country so that we may gain something at least in the matter of freight. As I have already stated earlier, it will be the object and the policy of Government not to allow such natural monopolies as china clay and mineral sands, not even an ounce, to leave the shores of the country unless Government gets an adequate proportion of the net profit derivable from such profitable undertakings.

Now, I come to commercial undertakings especially the Rubber Factory. I have said and I wish to emphasise that the Rubber Factory failed not because of the low quality of its productions. It is admitted that the quality was good. Some honourable member exclaimed "why not close down the Rubber Factory and start banana cultivation or something of the kind?" Well, that is a possibility, no doubt. But on the other hand, let me point out the other side of the picture. Travancore is the largest producer of rubber in the continent of India. Ceylon and Java of course are much larger producers. Now, why should that rubber not be turned to some use in the country of its origin? Why should a country which uses a lot of rubber not make those rubber goods which it uses? If Mr. Salter of the Transport Department wants inner tubes why should they not be produced locally? If there is an honest and capable

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private enterprise willing to take it up, that would be the best plan. Government have waited and will wait, but if no such enterprise emerges, then it might be the duty it might be necessary for Government to take it up and utilise the products for governmental and allied purposes until the time arrives when more comprehensive arrangements can be devised.

The Travancore users of bicycles, and they are numerous, may buy their requirements in tyres and tubes; the Transport Department and the other departments of Government may by their requirements of rubber products. It may be that we may not make much profit; but surely it is a matter for earnest consideration whether a country which produces rubber in such large quatities, a large proportion of which is unexportable owing to quota arrangements in regard to the export of rubber, which has got use for rubber goods, should not make some business proposition emerge in regard to manufacture of rubber goods. That is a matter which the public of Travancore will have carefully to consider.

Why should it be the case that immediately the Sugar Factory is turned over to Messrs. Parry and Co., it begins to pay good dividend, while so long as local private enterprise ran it, not only did it not pay any dividend, but on the other hand, it was losing all along the line. In the right solution of this question this House can do a great deal of service to the country. Propaganda, propaganda, propaganda all the time. That is what is needed as well as the spirit of joint stock enterprise.

There was something said about the Transport Scheme and petrol. Now, the position with regard to petrol and diesel oil is very simple. Diesel oil was decided upon for our transport service, because it is cheaper than petrol. Why is petrol so dear here? Nobody knows why? It is sold in Madras at a rupee or an anna or two more per gallon, while we have to pay Re. 1-4-0 or 1-5-0; really it ought to be sold at something like 11 or 12 annas per gallon. If we import petrol, if there is an agency for the purpose utilising coastal lines for importation, the problem would be solved, and there would be very little difference between petrol prices here and else-where. Petrol is controlled by certain Syndicated agencies; they naturally want to keep up prices. That was why we experimented on Diesel.

Fortunately there are ways out of the situation; and there are possibilities. I do not wish to put it higher than mere possibilities. I think it is possible to buy petrol much cheaper than we have been buying it in the immediate past.

If so, the petrol-driven vehicle is more advantageous in some respects. It is incidental to diesel fuel that the vehicle will make a certain amount of noise; in the nature of things that is inevitable. In the combustion of diesel oil, some jerkiness is also inevitable. There is no doubt that vehicles driven by petrol are less noisy and run more smoothly. We

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have therefore decided to have petrol as a kind of side experiment. But its success depends almost entirely on the success of our attempt to get petrol cheap within the State.

Although there were complaints regarding inadequacy of accommodation in our transport buses and also regarding the paucity of vehicles actually on the line, it was a matter for gratification to realise that the scheme as a whole was more or less admitted to be a success; and I was glad to hear the requests coming from many quarters for the extension of the State Transport Service. It may be of use to remind the House of what was mentioned on the floor of this House, on this matter, about a couple of years ago when the Scheme found few friends

Paucity of buses. Now, what was the numerousness of vehicles in the recent past due to? It was due to insensate competition by various rival firms which, for the purpose of getting exiguous and chance profits were running buses at most uneconomical rates, and increased the number of vehicles on the road without absolutely any possibility of any ultimate profit. Judged by the income tax returns—if they can be believed—these firms do not appear to have made any profit; most of them has reported loss. As a matter of fact, the most careful calculations show that, with intervals of 5 to 7 minutes, 20 or 25 buses can deal with the whole southern traffic. There is no doubt that the department did not till now have the full number required; but, recently we have supplemented the number of our vehicles by certain purchases. I trust complaints of want of accommodation and paucity of vehicles will cease hereafter. But I must say that to judge of the usefulness of the system by the number of vehicles actually on the road previously, is to judge wrongly. The common tendency here seems to be this; that if a man makes some profit by running a bus service from say, Kaudiyar to the Fort. his neighbour does not think of running a bus from the Fort to some other locality, but will run his buses only between Kaudiyar and the Fort. And the result is what may be called multiplicity of competition in the same limited locality. That is the trouble, and that was the trouble with the bus concerns which were serving the public in the lines which are now being served by the State Transport service.

I am sure the Transport Department will bear in mind what has fallen from the members in this honourable House and see to it that it gets that popular co-operation and that steady support from a discerning, and perhaps critical but ultimately sympathetic public, without which the success of the department will be limited.

The Agricultural Department was referred to by me, and from certain remarks that have fallen on the floor of this House it is evident that those remarks of mine have not been appreciated in the manner in which I expected and hoped they would be appreciated. I may repeat that it was not my desire to level any reproaches upon the personnel of any department here or elsewhere. But I stated and still repeat that where an Agricultural Department acts by itself without the co-operation of the Co-operative Department, the Land Revenue Department, the Finance Department and the Irrigation Department, there

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it does not fulfil or satisfy its purpose. If it does not act in closest co-operation with the peasant, if it does not produce research results, crop results new crops and new methods which appeal to the Indian peasant and which are brought home to him it does not fulfil its purpose. It should be the aim of every Agricultural Department to induce, to attract the educated, unemployed young man to go back to the land and to make a living out of it, and to cease from wandering in the corridors of public offices with infructuous applications for jobs.

Now, the problem of educated unemployment, the problem of "going back to the land" has been solved elsewhere; it can be solved here also. A well-known practical agriculturist who runs a model farm not far from Allahabad has said that if a young man would start a farm with a thousand of rupees or at the most Rs. 1,500 by way of investment he could easily earn Rs. 25 a month; in fact, he has been helping several young men that way. I hope and wish it will be possible for persons like him to pay a visit to Travancore to demonstrate what can be done in that direction.

I know that the present Director of Agriculture is full of enthusiasm, especially in the matter of research and propaganda. But the policy of the department, in so far as it is segregated from the farmer of today and the potential farmer of tomorrow, in so far as the department preaches *at* them instead of working *with* them, will have to be modified. The Agricultural Department, in conjunction with the Co-operative and other departments; will have to base its activities on propaganda work.

Thanks to our social laws, our lands have become fragmented to such an extent that their scientific and profitable cultivation has become almost an impossibility. Unless by a process of co-operative endeavour, or by suitable legislative changes, there is brought about an agglutination of these fragmented holdings, there cannot be any possibility of large scale agricultural enterprise, no question of improvement, no question of intensive cultivation. What are they doing in Russia? They are using tractors. Now, tractors cannot be used unless you have hundred-acre units. Such an idea would be utopian here. What else can we do? We can experiment on new crops and adopt the most advanced methods of increasing yields.

One of the most important things Travancore will have to deal with is let us say, the cultivation of alternative and hardy and nutritious crops like the soya bean. It has made, in China and Japan, all the difference between prosperity and a bare sustenance. The soya bean has meant not only very valuable food but textile foundations and plastics like bakelite. It has meant phenominal industrial and agricultural advantage to the people of those countries. There are other crops like tobacco and sugarcane that can also be mentioned as also the careful terraced cultivation of rice.

But let me point out that intensive cultivation, for instance, of soya bean means tremendous amount of work, experimental work

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research work, propaganda work. Our peasantry are conservative, and so need intensive and effective propaganda. But, nevertheless, once they are convinced of the benefits of a particular crop or method they will adopt new ways, as has been proved by the popularity of Cambodia cotton evolved in Coimbatore. I trust honourable members of the House will make fruitful contributions in tackling such questions like the fragmentation of holdings, fragmentation to an extent almost suicidal in its effect. How is it possible to cultivate one-eighth or one sixteenth of an acre, profitably? How can there be any agricultural or industrial advancement with such holdings? Unless these are consolidated, the whole programme of national advance will be lopsided. All development certainly means the joining together of all forces of labour and capital and land. How is this going to be achieved if every person insists on keeping apart his 1/32 of an acre or his 25 or 50 rupees of capital and refuses to combine with his neighbour? These are aspects which the honourable House will have to consider.

Now, I am glad to be able to make an announcement. The House will be glad to learn that between the first day we met and today, the Director of Development has been able to sell a lakh of cubic feet of certain unused varieties of timber at a profit of 8 annas per cubic foot, with the result that we get about Rs. 50 thousand. I am mentioning this for the purpose of showing that, with proper care and proper utilisation of our resources and propaganda we *can* do a great deal. But, as I said, all this requires the co-operation of the people, and the conjoint action on the part of the people and the Government, to deflect the educational and psychological activities, into a region of practical usefulness rather than of theoretical disputation. I trust that, viewed in that light, the labours of this House will redound to the credit and prosperity of Travancore and to the glory of His Highness Sri Chitra Tirunal.

The House adjourned at 5-15 P. M. to meet again at 11 A. M., the next day.

A. GUNAMONY,
Secretary to the Sri Mulam Assembly.

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